

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
RHONDA ENTERPRISES S.A.,

Plaintiff,

08 CV 5134 (DLC)

**AFFIDAVIT IN RESPONSE TO
ORDER DENYING REQUEST
FOR ISSUANCE OF ORDER TO
SHOW CAUSE**

PROJECTOR S.A., and PROJECTOR
ASIA PTE LTD.,

Defendants.

-----X
STATE OF NEW YORK)
) ss.:
COUNTY OF NASSAU)

George M. Chalos, being duly sworn, deposes and says:

1. I am a member of the Bar of this Court and am a principal of CHALOS & CO, P.C., attorneys for plaintiff in the above-entitled action and I am familiar with all the facts and circumstances in this action.

2. I make this affidavit upon information personally known to me through my communications with my clients and the solicitors who are handling the underlying London Arbitration claim proceeding.

3. I make this affidavit in response to the Court's Order dated July 22, 2008, pursuant to which the Court denied Plaintiff's request for the issuance of an order to show cause seeking entry of a default judgment in Plaintiff's favor.

4. As the Court will recall, this is an action to recover US \$78,433.33, plus interest, costs and expenses, for unpaid demurrage and other maritime damages, all of which are due to

Plaintiff and undisputedly owed by Defendants, PROJECTOR S.A., and PROJECTOR ASIA PTE LTD.

5. This USDC-SDNY action was commenced on or about June 4, 2008 by the filing of the Verified Complaint to obtain Process of Maritime Attachment and Garnishment. *See* Docket #1.

6. An Order for the Issuance of Process of Maritime Attachment and Garnishment was issued on June 4, 2008. *See* Docket #3.

7. The Summons and Verified Complaint were served on the Defendants, PROJECTOR S.A., and PROJECTOR ASIA PTE LTD, on or about June 11, 2008 and proof of service was filed on June 27, 2008. *See* Docket #5.

8. On June 10, 2008, US \$78,433.33 of funds belonging to Defendants were attached at HSBC Bank (USA) pursuant to the Order for the Issuance of Process of Maritime Attachment and Garnishment issued by this Honorable Court.

9. Prompt notice of the attachment was given to the Defendants on June 11, 2008.

10. Thereafter, as the Defendants had failed to answer, move, or otherwise appear in this action, and the time for the Defendants to do so had expired, Plaintiff filed a motion for default judgment by way of order to show cause.

11. On July 22, 2008, the Court denied Plaintiff's request for the entry of a default judgment and further Ordered Plaintiff to file evidence by August 22, 2008, that it had initiated arbitration of this dispute in London. *See* Docket #6.

12. Specifically, the Court wrote: "*It is hereby Ordered that the June 4th Order of attachment shall be vacated unless the plaintiff files evidence by August 22, 2008, that it has initiated arbitration of this dispute in London.*" *See* Docket # 6.

13. I have been in regular contact with both the Plaintiff and Messrs. Hill Dickinson, the solicitors handling the London Arbitration proceeding on the Plaintiff's behalf, and confirm that the Plaintiff has, indeed, commenced a London arbitration proceeding.

14. I further confirm that on or about August 11, 2008, Plaintiff submitted its points of claim to the LMAA tribunal.

15. I have also received a copy of message from the LMAA Tribunal dated August 18, 2008, confirming receipt of both Plaintiff's claim submission, as well as the requested LMAA administration fee.

16. It is my understanding that, as of the time of this writing, no response has been received from the Defendants in the London Arbitration proceeding.

17. I submit the forgoing in response to the Court's July 22, 2008 Order (Docket #6), and respectfully request that the Court find this affidavit to be evidence that Plaintiff has initiated arbitration of this dispute in London and continue the status quo with respect to the pending order of attachment.

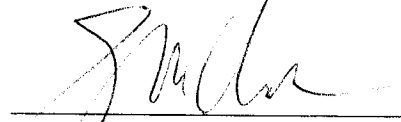
18. To the extent the Court may wish to receive further information or evidence concerning the pending LMAA arbitration matter, I stand ready to respond forthwith and request that the pending order of attachment be continued in order to allow Plaintiff an opportunity to respond to any such additional inquiry(s) the Court may have, if any.

Dated: August 18, 2008
Oyster Bay, New York


Respectfully submitted,

For Plaintiff,
RHONDA ENTERPRISES S.A.

By:


George M. Chalos (GC-8693)
123 South Street
Oyster Bay, New York 11771
Tel: (516) 714-4300
Fax: (866) 702-4577
Email: gmc@chaloslaw.com

Sworn to before me this 18th
day of August, 2008.


Notary Public

LEROY S. CORSA
Notary Public, State of New York
No. 4807155
Qualified in Suffolk County
Certificate Filed in New York County
Commission Expires Sept. 30, 2010